A full-issue study

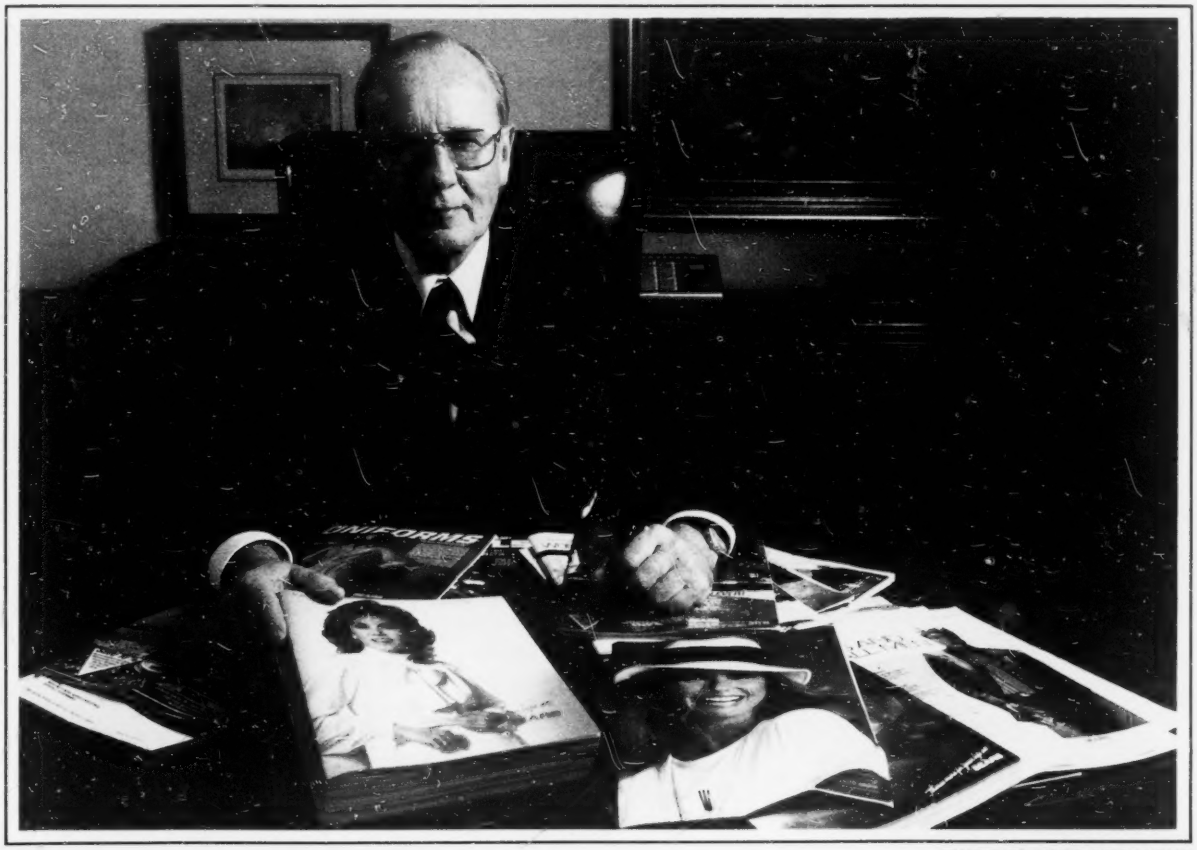
Chain Store Age

GENERAL MERCHANDISE TRENDS

December 1985

BILL BASS' SEARS

Can the family store survive?



TWO DOLLARS PER ISSUE

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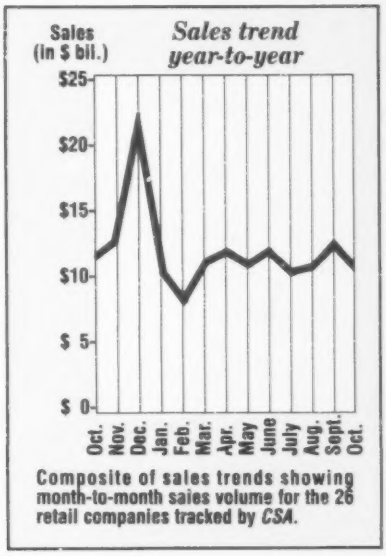
No rhyme or reason to October results

Consumers went on a spending spree in October, saved next to nothing and ran up near record levels of personal debt. But they bought automobiles, not general merchandise or apparel. The 26 chains tracked by *Chain Store Age* turned in sales a disappointing 8.2% ahead of last year's weak results.

Even though inventories are reported significantly leaner than last Christmas, if consumers do not start buying more at major retailers soon, another round of preholiday markdowns will be in the making.



Composite of sales trends showing month-to-month sales volume for the 26 retail companies tracked by *CSA*.

There was little rhyme or reason to distinguish the month's winners from its losers. Sears U.S. Merchandising sales increased a paltry 2.8%. J. C. Penney store-for-store results advanced only 1.5%, while Montgomery Ward sales continued to slip.

Wal-Mart comparable store totals moved up 8%, but were eclipsed by 18% same-store gains at Bradlees and a 12% hike at Rocky Hill, Conn.-based Ames. K mart, on the other hand, turned in only a 3.9% overall increase, but comparable store results dropped 2.6%.

Specialty stores turned in the month's most consistently positive results. Dayton Hudson's Lechmere division outpaced the rest of the diversified chain, posting double-digit gains on a store-for-store basis. Tandy's U.S. Radio Shack division recorded a 23% jump, with stores in existence for more than a year rising 15%.

Circuit City, citing weakness in major appliance sales, announced volume up 12% for the month, but comparable store results holding only even with last year's performance.

October sales disappointing

Major chains	% change	Oct. sales* 1985	Oct. sales* 1984	Stores 1985	Stores 1984	9-mo. sales* 1985	9-mo. sales* 1984	% change
Sears[1,9]	+ 2.8	2,022,100	1,967,200	796	806	18,194,900	17,982,400	+ 1.2
Penney[9]	+ 1.6	910,000	896,000	1,978	2,017	8,335,000	8,227,000	+ 0.7
Ward[1,7]	– 1.0	342,400	345,700	316	323	3,156,200	3,246,200	– 2.8
Federated[3]	+ 4.9	615,500	586,800	486	451	5,500,400	5,173,800	+ 6.3
Dayton Hudson[7]	+ 11.7	636,700	569,900	1,204	1,139	5,701,600	4,980,000	+ 15.0
May Dept. Stores	+ 5.9	372,500	351,900	2,013	1,771	3,438,000	3,121,500	+ 10.0
R. H. Macy	+ 9.2	342,500	313,700	95	96	3,000,500	2,828,300	+ 6.1
Associated Dry Goods	+ 6.1	324,600	305,900	341	333	2,906,000	2,631,000	+ 11.0
Allied Stores	+ 5.1	315,600	300,400	633	590	2,768,000	2,646,800	+ 4.6
Carter Hawley Hale[7]	+ 7.4	324,700	302,300	297	266	2,660,700	2,430,300	+ 9.5
Mercantile	+ 6.1	130,962	123,402	80	79	1,251,808	1,133,416	+ 10.4
K mart[4]	+ 3.9	1,528,100	1,470,500	2,176	2,165	15,086,200	13,851,200	+ 8.9
Wal-Mart	+ 34.0	727,000	544,000	834	733	5,677,000	4,327,000	+ 31.0
Woolworth[3]	+ 3.7	256,000	247,000	N/A	N/A	2,546,000	2,372,000	+ 7.3
Household Merch.[2,3,7]	+ 1.6	404,600	398,300	3,540	3,675	3,918,700	3,788,800	+ 3.4
Zayre[4]	+ 20.0	301,900	250,900	930	822	2,582,200	2,141,400	+ 21.0
Bradlees	+ 34.0	141,000	105,000	158	130	1,028,000	914,000	+ 12.0
Rose's	+ 9.8	67,943	61,860	205	194	666,817	613,262	+ 8.7
Ames	+ 121.0	138,100	62,500	455	179	968,500	554,000	+ 75.0
Jamesway	+ 14.5	42,883	37,460	90	83	351,243	315,536	+ 11.3
Heck's	+ 20.9	43,400	35,900	163	125	366,500	333,100	+ 10.0
Melville[7]	+ 14.0	364,100	319,900	5,517	5,244	3,339,205	2,986,447	+ 11.8
Tandy	+ 17.7	263,800	224,154	N/A	N/A	2,042,703	1,860,807	+ 9.8
Edison Bros.	+ 4.0	61,900	59,500	N/A	N/A	623,600	616,900	+ 1.2
The Gap	+ 38.7	48,000	34,600	658	613	424,000	346,600	+ 22.3
Circuit City	+ 12.2	45,000	40,100	101	N/A	401,900	305,500	+ 31.6
Total & Averages	+ 8.2	10,771,288	9,954,876	—	—	96,935,676	89,726,368	+ 8.0

*000 omitted. N.C. = no change. N/A = not available.
[1]Store number for full-line outlets only. [2]Includes 2,623 franchise stores (vs. 2,745 a year ago). [3]Includes T.G. & Y. sales. [4]Includes 327 Zayre stores (vs. 278 a year ago), 425 Hit or Miss stores (vs. 397) and 178 T. J. Maxx stores (vs. 147). [5]Excludes supermarket sales. [6]Store count is for K mart stores only. [7]Continuing operations only. [8]Domestic operations only.

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E. Total distribution (sum of C and D)	31,825	32,114
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